



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329
(916) 322-5660 • Fax (916) 322-0886

July 21, 2010

Colleen McAndrews
Bell, McAndrews, and Hiltachk, LLP
REDACTED

Re: Warning Letter
FPPC No. 09/704; Arnold Schwarzenegger

Dear Ms. Andrews:

The Fair Political Practices Commission (the "FPPC") enforces the provisions of the Political Reform Act (the "Act")¹ found in Government Code section 81000, et seq. This letter is in response to referral from your client's filing officer that your client accepted a gift in excess of the gift limits imposed by the Act.

The FPPC has completed its investigation of the facts in this case. Specifically, your client reported on his 2008 Annual Statement of Economic Interests receiving approximately \$630 in gifts from Jim Jacobs. On April 18, 2008, the Governor accepted a gift of wine valued at \$260. Then, on April 22, 2008, he accepted a gift of steaks valued at \$369.96. For calendar year 2008, the applicable gift limit was \$390 from a single source in a calendar year. By accepting the gift of steaks from Jim Jacobs, the Governor was in excess of the \$390 gift limit by \$239.96.

There is a provision within the Act that allows a public official to return, donate or reimburse a gift if certain criteria are met. Commission Regulation 18943(a)(4) allows the recipient of a gift, within 30 days of receipt or acceptance, to reimburse the donor or the donor's agent or intermediary for all or a portion of the gift. However, in your client's case, reimbursement happened, on December 2, 2008, after the 30 day requirement.

Your client's acceptance of a gift over the limit is a violation of the Act. (Section 89503.) Although your client had a non-delegable duty to understand and abide by the provisions of the Act, we are not moving forward with this matter based on the specific facts of this case. These include the fact that your client timely reported the gift, ultimately paid down the difference between the value of the gift and the Act's \$390 gift limit, and your client does not have a past history of violating the Act's gift limit provisions.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

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This letter serves as a written warning to your client. The information in this matter will be retained and may be considered should an enforcement action become necessary based on future conduct or newly discovered information. Failure of your client to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide your client with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the FPPC. If your client wishes to avail himself of these proceedings by requesting that his case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

Please feel free to contact the Enforcement Division with any questions you may have regarding this letter.

Sincerely,

REDACTED

Roman G. Porter
Executive Director

RGP/tr

cc: Trish Mayer, FPPC Technical Assistance Division